

**OFFICE OF INSPECTOR GENERAL  
FY 2000 PERFORMANCE MEASURES  
AUDITS AND EVALUATIONS OF AGENCY PROGRAMS AND OPERATIONS**

**Objective: Audit and evaluate the Agency's programs and operations to promote economy, efficiency and effectiveness.**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>1. Deliver quality audit and inspection products and services that are useful to the Board, management and/or the Congress.</p>	<p>Audit and inspection reports. <i>Details at Attachment 1.</i></p> <p>Audits and inspections are relevant. Audit coverage includes all mandated audits and at least 75% of those suggested by the Board and management. <i>Four audits and six inspections were initiated to examine program efficiencies, especially the use of resources. Any audit specifically requested by a FCA Board member was performed.</i></p> <p>Risk is addressed. 100% of OIG audits are performed in high risk/high \$ programs and activities and/or are tied to the Agency strategic planning goals. <i>All audits were in high-risk programs and/or were tied to the Agency strategic plan. Focus was on major Agency programs and implementation of new programs. Inspections were utilized for field office reviews. Each product was aimed at identifying efficiencies and potential cost savings.</i></p>	<p>FCA programs and operations are more effective. <i>COO has begun an initiative to refine performance measures. An inventory of products and services was developed. The Agency policy on GPRA is also being refined.</i></p> <p><i>The CIO established a service level agreement that describes services available to the Agency.</i></p> <p><i>Video-conferencing accessibility has enhanced communication throughout the Agency.</i></p> <p>Waste in Agency programs and operations is reduced.</p> <p>Increased Agency compliance with laws, regulations and internal policies and procedures. <i>Through the partnership concept, the IG and FCA management:</i></p> <ul style="list-style-type: none"> <li><i>1) Received an unqualified opinion for the Agency's FY 99 financial statements;</i></li> <li><i>2) Upgraded the Continuity of Operations Plan;</i></li> <li><i>3) Switched telecommunication services to a more cost effective provider; and</i></li> </ul> <p><i>Improved communications including remote access</i></p>

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		<i>service, tiered user-training for in-house computer applications, and improved policies for the Agency's network system's security.</i>
<p>1. Deliver quality audit and inspection products and services that are useful to the Board, management and/or the Congress (continued)</p>	<p>Findings made during audit fieldwork are recognized and corrected by management prior to drafting of the audit report.</p> <p><i>Management worked with OIG to address findings during the following reviews:</i></p> <ul style="list-style-type: none"> <li>• <i>FCA's FY 1999 Financial Statements</i></li> <li>• <i>Performance Measures</i></li> <li>• <i>FCA's Preparation for Year 2000 Compliance</i></li> <li>• <i>Office of Examination's Early Warning System Stress Model</i></li> <li>• <i>Imprest Fund</i></li> <li>• <i>Cash Management and Investment Practices</i></li> <li>• <i>Telecommunication Costs and Services</i></li> <li>• <i>Procurement and Supply Functions</i></li> <li>• <i>Denver Field Office</i></li> <li>• <i>McLean Field Office</i></li> </ul>	

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<p>1. Deliver quality audit and inspection products and services that are useful to the Board, management and/or the Congress (continued)</p>	<p>Products are timely, i.e. average time to complete audits and issue draft reports will not exceed 6 months. <i>All audits were completed in within six months. Inspections were completed more rapidly (2 mos. or less, except for one which took 22 months to complete).</i></p> <p>Audits are constructive. At least 75% of audit products contain recommendations to improve Agency operations. <i>100 % of audits and inspections performed contain recommendations to improve Agency operations.</i></p> <p>The Agency accepts at least 80% of OIG audit recommendations. <i>During this reporting period, there were 44 agreed upon actions or recommendations. All but one was accepted.</i></p> <p>The Agency actually implements all corrective actions prescribed by management decisions. <i>75% of the corrective actions have been implemented. The remaining 25% of those recommendations that have been accepted by management are not yet implemented.</i></p>	

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<p>2. Provide technical advice and assistance to Agency officials in developing sound management information and financial reporting systems and in streamlining programs and organizations.</p>	<p>The IG advises the Chairman concerning policy direction or administrative priorities. <i>The IG delivered two advisories to the Chairman concerning policy issues and administrative priorities.</i></p> <p>OIG performs analysis and provides technical advice to management concerning accounting, management systems and controls, and performance measures. <i>Technical analysis and advice was provided through the following:</i></p> <ul style="list-style-type: none"> <li>• <i>GPRA implementation/performance measures</i></li> <li>• <i>Incidental expenses</i></li> <li>• <i>Acquisition of Financial Management System from External Source</i></li> <li>• <i>Travel - per diem</i></li> <li>• <i>Compensation workgroup</i></li> <li>• <i>FCA Accountability Report</i></li> <li>• <i>Telecommuting</i></li> <li>• <i>Inclusion of pay differential in retirement calculation</i></li> <li>• <i>Budgeted Contract Funds v. Actual Use</i></li> <li>• <i>Physical Security</i></li> <li>• <i>Flattened internal organizations.</i></li> </ul>	<p>OIG input and advice contributes to Agency decisions and actions that are more complete and valid at their inception.</p> <p><i>OIG worked with Agency management to identify alternatives to its financial management system.</i></p> <p>Increase in management requests for advice, audit work or technical assistance. <i>Agency management regularly asks OIG staff to look at policies and operating procedures.</i></p> <p><i>OIG was asked to engage a contractor to validate the FCA's Early Warning System.</i></p> <p><i>OIG is a laboratory of change, a model for best practices. OIG has employee contracts and an interdisciplinary team approach to projects.</i></p> <p><i>OIG also has entered into an interagency MOU to provide OIG with personnel</i></p>

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	<ul style="list-style-type: none"> <li>• <i>Service Level Agreements were reviewed and OIG gave comments.</i></li> <li>• <i>Family-friendly initiatives were expanded and approved.</i></li> </ul>	<p><i>services. This is a pilot program.</i></p> <p><i>OIG extended its expertise in administering surveys to include a Regulatory survey to customers of the Agency who have commented on regulations.</i></p>

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<p>3. Continuous improvement of OIG staff, products and internal administration.</p>	<p>Customer survey feedback is used to improve products and services.</p> <p>OIG training ensures the technical proficiency of staff.</p> <p><i>Training classes attended for proficiency:</i></p> <ul style="list-style-type: none"> <li>• <i>Audit Evidence and Working Papers (Burr)</i></li> <li>• <i>Attendance and Leave (Burr)</i></li> <li>• <i>Nat'l. Diversity Symposium (Burr)</i></li> <li>• <i>Governance in the 21<sup>st</sup> Century (Dean)</i></li> <li>• <i>Advanced Mediation (Dean)</i></li> <li>• <i>2000 Economic Crime Summit (Ohlstrom)</i></li> <li>• <i>Introduction to Federal Budgeting (Ohlstrom)</i></li> <li>• <i>Introduction to Program Evaluation (Ohlstrom)</i></li> <li>• <i>Strategist v. Planner (Ohlstrom)</i></li> <li>• <i>Clear Writing Through Critical Thinking (Lewandrowski)</i></li> <li>• <i>Time Management (Lewandrowski)</i></li> <li>• <i>National Intergovernmental Audit Forum (Stoehr)</i></li> <li>• <i>PCIE/ECIE Training (Stoehr)</i></li> </ul>	<p>Peer review reports provide an unqualified opinion that OIG audit work meets or exceeds quality audit standards prescribed by GAO and the PCIE/ECIE.</p> <p><i>Peer review performed of audit operation was successfully completed by the National Archives and Records Administration OIG during this period.</i></p> <p>Customer survey feedback evidences increased satisfaction with report practices.</p> <p><i>Report survey customer feedback was positive with 4.5 average (of a possible 5).</i></p>

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PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>3. Continuous improvement of OIG staff, OIG products and processes. (continued)</p>	<p>OIG implements administrative improvements identified through reviews of other Agency programs and through staff involvement with the professional community.</p> <ul style="list-style-type: none"> <li>• <i>OIG staff members enter into a performance contract with the IG, identifying projects and responsibilities. Similarly, the IG and the Agency Chairman sign a performance contract.</i></li> <li>• <i>OIG teambuilding is ongoing.</i></li> <li>• <i>Equipment upgrades allow more professional products to be produced in-house. OIG welcomes the Agency to use the equipment. This has resulted in more professional products and acquisition of the necessary equipment within the Agency.</i></li> <li>• <i>Time tracking has been streamlined.</i></li> <li>• <i>OIG has made a decision to reach “Agreed Upon Actions” in audits and inspections when possible.</i></li> <li>• <i>The Hotline number has gained more visibility by being put on the FCA website. OIG also has an independent Internet Hotline account, outside the FCA infrastructure.</i></li> </ul>	<p>The Inspector General’s opportunity to facilitate positive change within the Agency is enhanced by the quality and credibility of OIG products and advice.</p> <p><i>OIG staff actively develops ideas for adding value to the Agency and OIG operations. Part of OIG performance contracts involve identifying specific ideas to review in the upcoming year.</i></p> <p><i>This reporting period an Administrative Burden Workgroup was led by an OIG staff member to streamline routine procedures</i></p> <p><i>The Agency has expanded work/life programs. Casual dress is permitted, maxi-flex, telecommuting, and credit hours are allowed.</i></p> <p><i>The Agency received an award for Work/Life programs presented by OPM. The PCIE/ECIE awarded an OIG staffer recognition for her contribution.</i></p>

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PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
		<i>OIG was asked to prepare a revised leave policy, comparable to other financial regulators. It is being evaluated by Agency management.</i>

**OFFICE OF INSPECTOR GENERAL  
 FY 2000 OIG PERFORMANCE MEASURES  
 INVESTIGATIONS**

**Objective: Investigate observed, alleged or suspected wrongdoing to prevent and detect fraud, waste, abuse and mismanagement in Agency programs and operations.**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>1. Administrative and criminal violations relating to FCA programs and personnel are effectively investigated and reported.</p>	<p>Investigative reports are timely and presented in an objective and factual manner. Memoranda are issued to management describing internal control weaknesses or program deficiencies found during the investigative process with suggestions to prevent and/or detect future wrongdoing.</p> <p><i>70% of active cases will be less than two years old (from the date the case was opened).</i></p> <p><i>100% of employee cases without criminal prosecution potential will be completed within one year from opening the case.</i></p> <p><i>Three investigations were open at the beginning of this period. One more was opened during the period and two were closed during FY 2000.</i></p>	<p>Administrative action, convictions or pleas are obtained for employees and/or contractors found guilty of wrongdoing.</p> <p>Management actions taken against employees serve as a deterrent to future wrongdoing.</p> <p>FCA internal policies, procedures and controls are strengthened to prevent and/or detect future wrongdoing.</p> <p><i>The average time to complete the two closed investigations, which were unsubstantiated, was five months.</i></p> <p><i>Management more actively oversees FECA claims by employees.</i></p> <p><i>FCA management cleared a backlog of determinations on personnel security levels and had five-year reinvestigations brought up to date.</i></p>

**OFFICE OF INSPECTOR GENERAL  
FY 2000 OIG PERFORMANCE MEASURES  
INVESTIGATIONS**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>2. FCA employees and managers recognize their responsibility to immediately report observed or suspected wrongdoing to the IG.</p>	<p>Allegations of wrongdoing are received in a timely manner and are supported by specific information. <i>Several anonymous letters were received in OIG. The letters included some suggestion of inappropriate behavior within the examination operation of the Agency. OIG arranged for a threat assessment. OIG developed an employee survey to assist in assessing the extent of the problem behavior. A consultant was hired to tabulate and interpret results.</i></p>	<p>Investigations are more successful because they are initiated in a timelier manner and have better information.</p> <p>FCA employees are more willing to report real or suspected wrongdoing because they trust the competence and fairness of OIG's investigations. <i>The OIG is notified promptly whenever wrongdoing is observed or suspected in FCA programs. Various offices have sought guidance to avoid problems or to resolve potential problems before there is a need for investigation.</i></p>
<p>3. Agency officials and Congress are kept fully and currently informed of problems found in the process of and resulting from investigative activities.</p>	<p>Summaries of investigations and the resulting administrative or judicial actions taken are incorporated into the Semiannual Report to Congress, along with any disagreements on the actions taken or failure of management to act in a timely and responsible fashion.</p> <p>Findings made during the investigative process concerning the problem at issue or systemic problems are recognized and corrected or mediated by management.</p>	<p>The Chairman and Congress are better informed about OIG investigations, administrative and judicial consequences.</p> <p>Public confidence in the integrity of FCA programs and internal operations are heightened.</p>

**OFFICE OF INSPECTOR GENERAL  
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INVESTIGATIONS**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT

**OFFICE OF INSPECTOR GENERAL  
FY 2000 PERFORMANCE MEASURES  
REVIEW OF LEGISLATION AND REGULATIONS**

**Objective: Review and make recommendations regarding existing and proposed legislation and regulations relating to Agency programs and operations and the Inspectors General community.**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>1. Maintain an effective program for reviewing and commenting on proposed and existing legislation and regulations affecting the Agency and the Inspectors General community.</p>	<p>Processes are established and documented for identifying and circulating (as appropriate) relevant documents. <i>Legislation is tracked on a daily basis. The PCIE/ECIE Legislation Committee is active in forwarding interest items.</i></p> <p>Constructive comments on relevant documents are submitted by the deadlines requested by the office, Agency or staff circulating comments. <i>Comments were submitted on time.</i></p> <p>Document review activity is summarized for inclusion in the Semiannual Report to Congress.</p>	<p>OIG input is part of the decision making process in approving or amending legislation, regulations, circulars and other policy positions.</p> <p>Constructive criticism and creative alternatives offered in OIG comments improve the quality and usefulness of documents initiated by the Agency.</p> <p>FCA Board and management are informed about the status of new or pending legislation or regulations initiated externally. <i>Suggestions and responses to legislation proposed to amend the IG Act were developed and submitted to OMB and Congressional staffs.</i></p>

**OFFICE OF INSPECTOR GENERAL  
FY 2000 PERFORMANCE MEASURES  
OUTREACH PROGRAM**

**Objective: Work with our Agency head and the Congress to improve program management; and work with the Inspectors General community and other related organizations to address government wide issues.**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>1. Agency personnel understand and accept OIG's role within FCA and the community at large.</p>	<p>Develop and maintain educational brochures or pamphlets describing OIG roles and activities.</p> <p>Facilitate feedback from Agency employees and refine products and practices based on the feedback to OIG products and educational materials <i>OIG policies have been refined and streamlined. Audit follow-up was merged with the Agency system so that duplication of effort will be avoided.</i></p> <p><i>Information concerning the OIG HOTLINE can be obtained through linkage with the OIG Semiannual Report in the FCA database.</i></p>	<p>Agency employees' acceptance of and cooperation with OIG activities is improved through better understanding. OIG programs and products are improved through feedback from Agency employees.</p> <p><i>In place of the traditional audit report, Agency management has been receptive to the quick response reviews and agreed upon action techniques.</i></p> <p><i>Separate Internet account opened to ensure confidentiality. The account is with an outside vendor and cannot be accessed by FCA administrators.</i></p>
<p>2. OIG staff provides leadership to organizations directly contributing to the Inspectors General community.</p>	<p>Time and resources are provided to OIG staff members as an incentive to contribute to outside organizations by serving on committees and holding offices.</p>	<p>Projects and activities of adjunct organizations such as the AGA, IIA, PCIE/ECIE, CCIG, FLETC, and IGATI are improved by OIG staff contributions and participation.</p>

New measures = green    New Outputs = blue    New Outcomes = red

**OFFICE OF INSPECTOR GENERAL  
FY 2000 PERFORMANCE MEASURES  
OUTREACH PROGRAM**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>2. OIG staff provides leadership to organizations directly contributing to the Inspectors General community. (continued)</p>	<p><i>Professional Organizations-staff are active in meetings and sessions of PCIE/ECIE and other professional organizations including: Institute of Internal auditors, Association of Government Accountants, Council of Counsels, Association of Federal Investigators, FIRREA Work/Life Coordinators, Training Coordinators, International Association of Financial Crime; Executive Women's' Group, and Instructor at Inspectors General Auditor Training Institute</i></p>	<p><i>The IG also participated in commenting on proposed AICPA rule change.</i></p> <p><i>The IG worked on the PCIE/ECIE Strategic Planning Committee to develop a strategic plan and performance measures.</i></p> <p><i>Counsel nominated to be Co-Chair of Council of Counsels.</i></p> <p><i>OIG networking opportunities have resulted in an expanded consideration of FCA ideas and practices by community contacts and experts.</i></p> <p><i>OIG's Management Analyst earned PCIE/ECIE award for work/life efforts.</i></p> <p>The Inspectors General community is more credible and effective.</p>

**OFFICE OF INSPECTOR GENERAL  
FY 2000 PERFORMANCE MEASURES  
OUTREACH PROGRAM**

PERFORMANCE GOALS	OUTPUT/CRITERIA	OUTCOME/IMPACT
<p>3. OIG staff contributes to special projects for improving the Agency, the OIG community and the government.</p>	<p>OIG staff will participate in projects that will contribute to achieving the vision of a better Agency and government.</p> <ul style="list-style-type: none"> <li>• <i>Senior Staff</i></li> <li>• <i>EEO Advisory Committee</i></li> <li>• <i>Accountability Report Workgroup</i></li> <li>• <i>Employee Council</i></li> <li>• <i>Farm Credit Club</i></li> <li>• <i>Mentoring Program</i></li> <li>• <i>OPM GPRA Interest Group</i></li> <li>• <i>Administrative Burden Reduction Workgroup</i></li> <li>• <i>Federal Women's Program Workgroup</i></li> <li>• <i>FIRREA Work/Life Coordinators</i></li> </ul>	<p>Management practices at the Agency are improved by OIG staff participation in FCA special projects.</p> <p>FCA programs and operations are more effective and efficient.</p> <p><i>OIG involvement with IG community facilitates an efficient way to get answers or feedback from many different contacts and networks.</i></p>

## ***AUDIT RESULTS***

<b>AUDIT NAME</b>	<b>AUDITS ARE RELEVANT</b>	<b>RISK IS ADDRESSED</b>	<b>PRODUCTS ARE TIMELY</b>	<b>AUDITS ARE CONSTRUCTIVE</b>	<b>AGENCY ACCEPTS 80%</b>
Procurement and Supply Functions	OIG Initiated		4 Months	2 Recommendations 12 Agreed Upon Actions	Accepted one; rejected one Accepted all; implemented Seven
FY 2000 Financial Statements	Annual Audit (Voluntary Compliance with CFO Act)	Strategic Plan	4 Months	2 Recommendations	Accepted and implemented Both
Preparation for Year 2000 Compliance	As issues were provided to Management, they were addressed immediately.				
OE's Early Warning System Stress Model	OIG Initiated		6 Months	1 Recommendations 1 Agreed Upon Action	Accepted and implemented both



## ***INSPECTION RESULTS***

<b>INSPECTION NAME</b>	<b>INSPECTIONS ARE RELEVANT</b>	<b>PRODUCTS ARE TIMELY</b>	<b>INSPECTIONS ARE CONSTRUCTIVE</b>	<b>AGENCY ACCEPTS 80%</b>
McLean Field Office	OIG Initiated	3 Weeks	3 Agreed Upon Actions	Accepted and implemented all.
Telecommunication Costs and Services	OIG Initiated		6 Agreed Upon Actions	Accepted all; implemented five.
Performance Measures	OIG Initiated	22 Months	2 Recommendations	Accepted both. Not yet implemented.
Imprest Fund	OIG Initiated	2 Months	8 Agreed Upon Actions	Accepted all; implemented seven.
Cash Management and Investment Practices	OIG Initiated	4 Months	8 Agreed Upon Actions	Accepted all. Not yet implemented.
Denver Field Office	OIG Initiated	1 Month	1 Agreed Upon Action	Accepted. Implemented.